

I certify that the attached is a true and
correct copy of H.B. 1216, which
was filed of record on FEB 21 1991

and referred to the committee on:

Natural Resources

Betty Manning
Chief Clerk of the House

FILED FEB 21 1991

H.B. 1216

1991 MAR -4 PM 3:55

HOUSE OF REPRESENTATIVES

By Ron Lewis

A BILL TO ENTITLED

AN ACT

relating to review of district audits by the Texas Water
Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 50.375 (a), Water Code, is amended to
read as follows:

(a) The executive director may ~~shall~~ review the audit
report of each district.

SECTION 2. Section 50.375 (c), Water Code, is amended to
read as follows:

(c) If the executive director has any objections or
determines any violations of generally accepted auditing
standards or accounting principles, statutes, or board rules, or
if the executive director has any recommendations, he shall
notify the governing board of the district or the district's
auditor.

SECTION 3. The importance of this legislation and the
crowded condition of the calendars in both houses create an
emergency and in imperative public necessity that the
constitutional rule requiring bills to be read on three several
days in each house be suspended, and this rule is hereby
suspended, and that this Act take effect and be in force from
and after its passage, and it is so enacted.

HOUSE COMMITTEE REPORT

1st Printing

91 APR 19 PM 10:58

HOUSE REPRESENTATIVE

By Lewis of Orange

H.B. No. 1216

Substitute the following for H.B. No. 1216:

By Yost

C.S.H.B. No. 1216

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(c) If the executive director has any objections or determines any violations of generally accepted auditing standards or accounting principles, statutes, or board rules, or if the executive director has any recommendations, the executive director ~~[he]~~ shall notify the governing board of the district or the district's auditor.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

COMMITTEE REPORT

The Honorable Gib Lewis
Speaker of the House of Representatives

April 16, 1991
(date)

Sir:

We, your COMMITTEE ON NATURAL RESOURCES,

to whom was referred HB 1216 have had the same under consideration and beg to report
(measure)

back with the recommendation that it

() do pass, without amendment.

() do pass, with amendment(s).

(x) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.

A fiscal note was requested. (x) yes () no

An author's fiscal statement was requested. () yes (x) no

A criminal justice policy impact statement was requested. () yes (x) no

An equalized educational funding impact statement was requested. () yes (x) no

An actuarial analysis was requested. () yes (x) no

A water development policy impact statement was requested. () yes (x) no

A federal funds impact statement was requested. () yes (x) no

() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

This measure () proposes new law. (x) amends existing law.

House Sponsor of Senate Measure _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Lewis, R., Ch.	x			
Willy, V.C.	x			
Collazo, C.B.O.	x			
Bosse	x			
Greenberg	x			
Haggerty				x
Hilderbran				x
Puente				x
Yost	x			

Total

6 aye
0 nay
0 present, not voting
3 absent

Gib Lewis
CHAIRMAN

Deborah K. McCall
COMMITTEE COORDINATOR

HB 1216
By: R. Lewis
CSHB 1216
By: Yost

Committee on
Natural Resources

BILL ANALYSIS

BACKGROUND

The Texas Water Commission is required to review district audits to determine the financial stability of the districts, and to ensure proper district management practices are followed. The Commission is also required to review all of the audits to determine if proper and acceptable accounting practices were followed in the preparation of the audit. This is not a cost effective method of district supervision because full review is required of all audits, even if no reason exists to indicate a problem with the audit. Additionally, the State Auditor may review any district audit for accounting practices on its own initiative.

PURPOSE OF THE BILL

This bill would amend the Water Code to provide for permissive review of district audits to determine if proper accounting practices were followed.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 50.375 (a), Water Code, to replace the word "shall" with "may."

SECTION 2. Amends Section 50.375 (c), Water Code, so that the executive director may notify the district auditor with objections or recommendations about the district.

SECTION 3. Emergency clause. Effective date: upon passage.

RULEMAKING AUTHORITY

It is the opinion of this committee that this bill does not delegate rulemaking authority to any state agency, officer, department, or institution.

COMPARISON OF SUBSTITUTE TO ORIGINAL BILL

The substitute replaces the word "he" with "the executive director" in Section 2 of the bill to eliminate discriminatory phrasing, makes other technical changes.

SUMMARY OF COMMITTEE ACTION

On March 5, 1991, HB 1216 was referred directly to the Subcommittee on Water Districts. Notice was posted in accordance with House Rules, and HB 1216 was heard in a public hearing of the Subcommittee April 9, 1991. No witnesses were present on the bill. A substitute to the bill was offered and adopted without objection. The motion to report HB 1216 favorably back to the full committee, as substituted, carried by a vote of 2 ayes, 0 nay, 0 PNV, and 1 absent. The subcommittee report on HB 1216 was taken up at a full committee public hearing on April 16, 1991. No witnesses were present on the bill. The substitute to HB 1216

was laid out and adopted without objection. The motion to report HB 1216, as substituted, favorably back to the full House carried by a vote of 6 ayes, 0 PNV, 0 nay, and 3 absent.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE

April 9, 1991

**TO: Honorable Ron Lewis, Chair
Committee on Natural Resources
House of Representatives
Austin, Texas**

**IN RE: House Bill No. 1216
By: R. Lewis**

FROM: Jim Oliver, Director

In response to your request for a Fiscal Note on House Bill No. 1216 (relating to review of district audits by the Texas Water Commission) this office has determined the following:

No significant fiscal implication to the State or units of local government is anticipated.

**Source: Texas Water Commission
LBB Staff: JO, JWH, DF, JG, AW**

H. B. No. 1216

By Bon Lewis

A BILL TO BE ENTITLED
AN ACT

relating to review of district audits by the Texas Water Commission.

FEB 21 1991

1. Filed with the Chief Clerk.

MAR 4 1991

2. Read first time and Referred to Committee on

NATURAL RESOURCES

APR 16 1991

3. Reported ☒ favorably ^(as amended)
_(as substituted) and sent to Printer at 4:30
APR 19 1991

APR 19 1991

4. Printed and distributed at 10:58p

MAY 1 1991

5. Sent to Committee on Calendars at 4:18 pm

6. Read second time (amended); passed to third reading (failed) by (Non-Record Vote)
(Record Vote of _____ yeas, _____ nays, _____
present, not voting).

7. Motion to reconsider and table the vote by which H.B. _____ was ordered
engrossed prevailed (failed) by a (Non-Record Vote) (Record Vote of _____ yeas,
_____ nays, and _____ present, not voting).

8. Constitutional Rule requiring bills to be read on three several days suspended (failed
to suspend) by a four-fifths vote of _____ yeas, _____ nays, and _____
present, not voting).

9. Read third time (amended); finally passed (failed) by (Non-Record Vote) (Record Vote
of _____ yeas, _____ nays, _____ present, not voting).

10. Caption ordered amended to conform to body of bill.

11. Motion to reconsider and table the vote by which H. B. _____ was finally passed
prevailed (failed) by a (Non-Record Vote) (Record Vote of _____ yeas, _____
nays, and _____ present, not voting).

12. Ordered Engrossed at _____

13. Engrossed.

14. Returned to Chief Clerk at _____

15. Sent to Senate.

Chief Clerk of the House

16. Received from the House

17. Read, referred to Committee on _____

18. Reported favorably

19. Reported adversely, with favorable Committee Substitute; Committee Substitute read
first time.

20. Ordered not printed.

21. Regular order of business suspended by
(a viva voce vote.)
(_____ yeas, _____ nays.)

_____ 22. To permit consideration, reading and passage, Senate and Constitutional Rules
suspended by vote of _____ yeas, _____ nays.

_____ 23. Read second time _____ passed to third reading by:
(a viva voce vote.)
(_____ yeas, _____ nays.)

_____ 24. Caption ordered amended to conform to body of bill.

_____ 25. Senate and Constitutional 3-Day Rules suspended by vote of _____ yeas,
_____ nays to place bill on third reading and final passage.

_____ 26. Read third time and passed by
(a viva voce vote.)
(_____ yeas, _____ nays.)

OTHER ACTION: OTHER ACTION:

Secretary of the Senate

_____ 27. Returned to the House.

_____ 28. Received from the Senate (with amendments.)
(as substituted.)

_____ 29. House (Concurred) (Refused to Concur) in Senate (Amendments)
(Substitute) by a (Non-Record
Vote) (Record Vote of _____ yeas, _____ nays, _____ present,
not voting).

_____ 30. Conference Committee Ordered.

_____ 31. Conference Committee Report Adopted (Rejected) by a (Non-Record Vote) (Record
Vote of _____ yeas, _____ nays, and _____ present, not voting).

_____ 32. Ordered Enrolled at _____

HOUSE OF REPRESENTATIVES

91 APR 19 PM 10:58

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